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**UNIVERSITY OF LOUISIANA AT MONROE**  
**ALUMNI ASSOCIATION**

*Financial Statements*  
*For the Years Ended June 30, 2003 and 2002*

Under provisions of law, this report is a public document. A copy of this report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/8/03



UNIVERSITY OF LOUISIANA AT MONROE  
ALUMNI ASSOCIATION  
JUNE 30, 2003 AND 2002

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# CAMERON, HINES & HARTT

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
University of Louisiana at Monroe Alumni Association  
Monroe, Louisiana

We have audited the accompanying statements of financial position of the University of Louisiana at Monroe Alumni Association as of June 30, 2003 and 2002, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Louisiana at Monroe Alumni Association as of June 30, 2003 and 2002, and the changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
September 22, 2003

UNIVERSITY OF LOUISIANA AT MONROE  
ALUMNI ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	<u>2003</u>	<u>2002</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 39,611	\$ 59,048
Travel Advances	-	1,575
Investments	118,686	111,747
Accounts Receivable-Alumni Credit Card Royalty	7,500	7,300
Receivable - ULM Athletic Scholarship Fund	-	2,148
Property and Equipment, Net	15,770	17,332
Art and Collectibles	<u>7,450</u>	<u>7,450</u>
<u>TOTAL ASSETS</u>	<u>\$ 189,017</u>	<u>\$ 206,600</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 3,031	\$ 19,663
Notes Payable - ULM Foundation	-	12,434
 <u>Net Assets</u>		
Unrestricted	114,051	108,300
Board Designated Endowment	<u>71,935</u>	<u>66,203</u>
Total Net Assets	<u>185,986</u>	<u>174,503</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 189,017</u>	<u>\$ 206,600</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY OF LOUISIANA AT MONROE  
ALUMNI ASSOCIATION  
STATEMENTS OF ACTIVITIES

	June 30,	
	<u>2003</u>	<u>2002</u>
<u>Changes in Unrestricted Net Assets</u>		
Revenues and Gains:		
Contributions	\$ 4,654	\$ 3,480
Alumni Dues	49,605	54,725
Life Memberships	4,000	7,850
Student Fees	16,879	15,756
Special Events	1,905	8,772
Visa/Mastercard	30,072	30,620
Chapter Development	2,516	17
ULM "31"	4,434	1,896
Interest	2,568	2,865
Investment Gain (Loss)	3,698	509
Gain on Sale of Asset	-	5,350
Miscellaneous	12,827	25,670
Total Unrestricted Revenues and Gains	<u>133,158</u>	<u>157,510</u>
<u>Expenses</u>		
Academic Support	10,604	21,023
University and Sports Promotion and Chapter Development	47,969	46,895
Fund Raising and Promotion	30,765	28,180
Materials and Supplies	20,749	5,548
Management and General	6,100	6,258
Interest	316	1,206
Depreciation	5,175	4,346
Total Expenses	<u>121,678</u>	<u>113,456</u>
<u>Increase in Unrestricted Net Assets</u>	11,480	44,054
<u>Net Assets at Beginning of Year</u>	<u>174,506</u>	<u>130,452</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 185,986</u>	<u>\$ 174,506</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY OF LOUISIANA AT MONROE  
ALUMNI ASSOCIATION  
STATEMENTS OF CASH FLOWS

	<u>June 30,</u>	
	<u>2003</u>	<u>2002</u>
<u>Cash Flows From Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ 11,480	\$ 44,054
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used ) by Operating Activities:		
Depreciation	5,175	4,346
Gain on Equipment	-	(5,350)
(Increase)Decrease in Receivables	3,523	(2,120)
Increase (Decrease) in Accounts Payable	(16,632)	18,279
Total Adjustments	<u>(7,934)</u>	<u>15,155</u>
Net Cash Provided (Used) by Operating Activities	3,546	59,209
<u>Cash Flows from Investing Activities</u>		
Proceeds from Sale of Vehicle	-	5,350
Purchase of Equipment	(3,610)	-
Purchase of Vehicle	-	(20,033)
Investments	<u>(6,939)</u>	<u>988</u>
Net Cash Provided (Used) by Investing Activities	(10,549)	(13,695)
<u>Cash Flows from Financing Activities</u>		
Increase(Decrease) in Notes Payable	<u>(12,434)</u>	<u>12,434</u>
Net Cash Provided (Used) by Financing Activities	(12,434)	12,434
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	(19,437)	57,948
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>59,048</u>	<u>1,100</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 39,611</u>	<u>\$ 59,048</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

Note 1 - Summary of Significant Accounting Policies

A. Nature of Activities

The University of Louisiana at Monroe (ULM) Alumni Association (the Association) is a non-profit organization located in Monroe, Louisiana. The ULM Alumni Association serves to foster a spirit of loyalty and fraternalism among graduates, former students, students and friends of the University of Louisiana at Monroe and to achieve unity of purpose and action in promoting the best interests of the University.

The Association seeks to enlist the volunteer involvement of ULM alumni and friends in support for the University as a means of assisting ULM in reaching its full potential as a teaching, research and service institute of higher education in Louisiana.

The Association endeavors to provide the leadership and support services, through its financial and human resources, which will enhance the University's efforts to satisfy the economic, cultural and educational needs of the region, state, and nation.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Basis of Accounting

The financial statements of the University of Louisiana at Monroe Alumni Association have been prepared on the accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-for-Profit Organizations*.

D. Accounting Pronouncement

In June 1993, the Financial Accounting Standards Board (the FASB) issued Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations*. As of July 1, 1996, the Association adopted both of these pronouncements.

SFAS No. 116 establishes accounting standards for contributions and generally requires unconditional promises to give – including multiyear promises – be recognized at fair value in the period the promise is made. Conditional promises to give are recognized when they become unconditional.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

Note 1 - Summary of Significant Accounting Policies (continued)

SFAS No. 117 will change the focus of the Association's financial statements from disaggregated reporting by fund groups to reporting on the organization as a whole. The statement requires the Association to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Association has continued to use fund accounting as described below.

E. Financial Statement Classification

The assets, liabilities, and net assets of the Foundation are reported in one class as follows:

Unrestricted – includes all resources to be used in support of the Association's operations at the sole direction of the Association.

Board Designated Endowment – includes amounts for the Life Members transferred to be invested with the ULM Foundation's assets for higher returns than normally earned with certificates of deposits. The earnings from these funds are transferred from (to) the ULM Alumni Association for current operations. The original amount of the Life Member will not be invaded except through Board of Director approval.

F. Contributions

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

G. Tax Status

The University of Louisiana at Monroe Alumni Association is a nonprofit corporation exempted from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

H. Functional Allocation of Expenses

The direct costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Program services expenses are those directly related to the purposes for which the Alumni Association exists. Supporting services expenses reflect other expenses incurred in operating the programs.



UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

Note 1 - Summary of Significant Accounting Policies (continued)

I. Property and Equipment

Property and equipment is recorded at cost or fair market value at date of purchase or donation, respectively. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives range from 5 to 7 years.

J. Contributed Facility

The Association occupies without charge office space in the Anna Gray Noe Alumni Building, which is owned by the University of Louisiana at Monroe. No amount has been reflected in the financial statements for the value of the use of the facility.

K. Cash Flows

For purposes of the statement of cash flows, the Alumni Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Note 2 - Art and Collectibles

Art and collectibles consisted of prints by Glen Gore donated to the Association by the ULM Foundation. The prints are stated at the estimated fair value at the time of donation.

Note 3 - Affinity Card Program

During fiscal 2000, the Association negotiated an Affinity Card program with a local financial institution whereby the financial institution agreed to provide VISA and MasterCard services to ULM alumni and friends. The program provides various royalties for new accounts and for purchases made with qualifying cards. Net Retail purchases range in royalties from .20% up to 1.0% of the purchase amount. The Alumni Association also receives \$1.00 in royalties for each of the accounts that are opened under the program.

The Association recognized fee income during fiscal 2003 and 2002 as follows:

	Year Ended June 30,	
<u>Income</u>	<u>2003</u>	<u>2002</u>
Fee Income – Affinity Program	<u>\$ 30,072</u>	<u>\$ 30,620</u>

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

Note 4 - Board Designated Life Member Endowment

During fiscal 1999, the Association through its Board of Directors, established a Life Membership Program. A gift of \$500 per individual qualifies as a life member. Such a member is exempt from future annual dues. At June 30, 2003 and 2002 there were 139 and 131 lifetime members, respectively.

Balance - July 1, 2002	\$ 66,203
Life Member Transfers	3,700
Investment Earnings	3,483
Transfers to Unrestricted	<u>( 1,451)</u>
Balance - June 30, 2003	<u>\$ 71,935</u>